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Thatcher Rejects Spy Allegations As Distortions

By Leonard Downie Jr.
Washington Post Foreign Service

LONDON, March 26 — In a rare detailed public statement in the House of Commons about British intelligence, Prime Minister Margaret Thatcher today confirmed recent newspaper charges that the former chief of Britain's MI5 counterintelligence service had been investigated as a possible Soviet spy but added that no evidence had been found to incriminate him.

Following a week of sensational allegations about Soviet spies being employed in important positions in the past, Thatcher emphasized her belief that Britain's twin domestic counter-espionage and foreign intelligence services, MI5 and MI6, are free of the high-level penetrations by Soviet agents discovered and rooted out during the 1950s and 1960s.

But the prime minister also revealed that she has ordered an elite independent commission to review security procedures in Britain's secret intelligence services and the rest of the government.

Thatcher, in a statement to the hushed, crowded House of Commons, said the late Sir Roger Hollis, who served as the head of MI5 from 1956 until his retirement in 1965, had been investigated in the early 1970s. She said the probe "was based on certain leads which suggested, but did not prove that there had been a Russian

intelligence service agent at a relatively senior level in British counterintelligence in the last years of the war."

The prime minister said "none of these leads identified Sir Roger Hollis or pointed specifically or solely in his direction. Each of them could also be taken as pointing to [Kim] Philby or [Anthony] Bunt" — who had already been discovered to be Soviet "moles."

The investigation of Hollis "did not conclusively prove his innocence; indeed it is very often impossible to prove innocence," Thatcher said. "But no evidence was found that incriminated him, and the conclusion reached at the end of the investigation was that he had not been an agent of the Soviet intelligence service."

This most recent British spy scandal has been making headlines here all week, as the Daily Mail has been serializing a book by its defense specialist, Chapman Pincher, about past infiltration of the British government and intelligence services by the Soviets. Monday's installment detailed the charges against Hollis, even though Pincher conceded that the charges could not be proved.

Thatcher said that the allegations in Pincher's book were "inaccurate or distorted" in part and contained "no information of security significance which is new to security authorities."

Pincher had written that during two separate interrogations, one lasting 48 hours, "Sir Roger never broke," but "his frustrated interrogators believed that they had before them the most successful spy in history — a KGB agent so successful that he made the notorious spies of the past like [Guy] Burgess and [Donald] Maclean, Philby and Blunt look very much in the second league."

Thatcher acknowledged that the "view" that Hollis was not a Soviet agent was challenged "by a very few of those concerned" and that former Cabinet secretary Lord Trend was asked by then-prime minister Harold Wilson in 1974, a year after Hollis died of a heart attack, "to review in detail the investigations" against Hollis.

After a year's study and interviews "with many of those concerned, including two people who considered that the investigation should be reopened," she said, Lord Trend "was satisfied that nothing had been covered up. He agreed that none of the relevant leads identified Sir Roger Hollis as an agent of the Russian intelligence service, and that each of them could be explained by reference to Philby or Blunt."

Thatcher emphasized that Pincher "is wrong" in writing that Lord Trend "concluded that there was a strong prima facie case that MI5 had been deeply penetrated over many years by someone who was not Blunt" and that Lord Trend "named Hollis as the likeliest suspect."

"Lord Trend said neither of those things and nothing resembling them," Thatcher told Parliament. "Lord Trend, with whom I have discussed the matter, agreed with those who, although it was impossible to prove the negative, concluded that Sir Roger Hollis had not been an agent of the Russian intelligence service."

Trend said tonight, "You may take it that I concur entirely with Mrs. Thatcher's statement. Apart from that, I have no comment."

Former prime minister Wilson, making a rare appearance in Parliament, also said today that nothing in Lord Trend's report would "substantiate any allegations of a coverup."

Thatcher said changes in recruiting procedures and repeated tightening of security precautions "have over the years substantially reduced the vulnerability of the public service to the threat of penetration." These arrangements should be scrutinized again, she said when announcing her decision to appoint the high-level review commission, because the "techniques of penetration and the nature of the risks may have changed" in the 20 years "since they were last subject to independent review."

The commission will be made up of high court judges and retired government officials and military commanders. It will report back to Thatcher, who said she would make an unprecedented statement on its findings and recommendations to the Parliament.

This action and Thatcher's statements today were not satisfactory, however, for a minority of parliamentary members from both major parties who wanted her to answer Pincher's charges in more detail and make the intelligence services generally less secretive and more accountable to Parliament. They now answer only in secret to the prime minister, foreign secretary and home secretary. Even the names of the directors of MI5, which is responsible for countering espionage, sabotage and subversion in Britain; and MI6, which conducts foreign intelligence operations, and the locations of their offices are supposed to